

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

May 20, 2003

The Capital Projects and Bond Oversight Committee met on Tuesday, May 20, 2003, at 1:00 PM, in Room 129 of the Capitol Annex. Senator Robert Leeper called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robert Leeper, Co-Chair; Representative Jodie Haydon, Co-Chair; Senators Tom Buford, Virgil Moore, and Jerry Rhoads; Representatives Robert Damron, Paul Marcotte, and Jim Wayne.

Guests testifying before the committee: Larry Owsley, University of Louisville; Harold Workman, Kentucky State Fair Board; Ben Carr, University of Kentucky; Armond Russ and Jack Morris, Finance and Administration Cabinet; Sandy Williams, Kentucky Infrastructure Authority; Tom Howard, Office of Financial Management; Warren Nash, Cabinet for Economic Development; Jack Baker, Republic Services; Rick Brueggemann, Bavarian, Inc.; Phillip Shepherd, Attorney at Law; and Jeff Hillebrandt, Take Back Kentucky.

LRC Staff: Mary Lynn Collins, Pat Ingram, Nancy Osborne, Kevin Mason, Bart Hardin, and Shawn Bowen.

Senator Leeper called on Ms. Collins to review correspondence and information items included in members' folders. Ms. Collins said there was one correspondence item, the Kentucky Lottery Corporation's monthly report for March. Information items in members' folders included a staff update regarding state debt, a report of plans by Western Kentucky University to manage its capital construction program, and an update on various capital projects.

Senator Leeper introduced Mr. Larry Owsley, Vice President for Finance and Administration, University of Louisville (U of L), to discuss a proposal to modify an authorized project.

Mr. Owsley said the university has authorization for a \$750,000 capital project to install artificial turf on one of the university's practice fields. He said with the arrival of the new football coach and newly available technology, the university would like to instead install the turf on the playing field at Papa John's Cardinal Stadium. He said this

project modification was approved by the Council on Postsecondary Education at its May 19 meeting.

Representative Wayne asked what the funding source was for this project. Mr. Owsley said the source is proceeds from revenue from TV coverage of football games.

Representative Wayne asked what will happen to the practice field if the artificial turf is not installed. Mr. Owsley said there are three practice fields adjacent to the stadium and each field will continue to be used for practice. He said during the next legislative session, the university plans to seek authorization to install artificial turf on one of its practice fields.

In response to a question from Representative Marcotte, Mr. Owsley said there is a new type of artificial turf that is closer to natural turf and more injury resistant. He said they had planned to test new turf on the practice field before putting it on the main field, but the coaches are confident that it will work well on the playing surface, and will not create more injuries.

Representative Damron asked when U of L made the decision to modify this project. Mr. Owsley said they decided to do this after a new football coach was hired.

Representative Damron said the only problem he had with this project was that U of L has decided to change the project to something other than what the General Assembly originally approved. He said by approving this project it puts the committee in the position of approving a project different than what was just authorized in the budget.

Representative Wayne noted the Kentucky High School Athletic Association (KHSAA) holds its football finals at the Kentucky State Fairgrounds. He asked if the Papa John's Stadium is made more attractive with this new turf, will it jeopardize business received at the Fairgrounds. Mr. Harold Workman, President and CEO, Kentucky State Fair Board, said they met with the KHSAA in January and indicated at that time if there were opportunities to relocate those playoffs to a facility that was more to their liking, the Fair Board would support them. He said that same information was relayed to the Athletic Department at U of L, and since that time there may have been some discussion between those two agencies. He said the Fair Board was actually handling the playoffs at very little profit.

Senator Leeper asked if the Fair Board plans to keep the stadium facility at the fairgrounds. Mr. Workman said the facility would require a lot of maintenance, and the site could be used for other purposes in the future, such as a location for a new arena.

In response to a question from Representative Damron, Mr. Workman said the turf on the Fairgrounds was replaced four years ago at a cost of \$1 million. The turf was 12 years old, and it had become dangerous for the athletes to be on that field.

Representative Damron said he remembered there was some discussion by the General Assembly at the time the turf at the Fairgrounds was replaced, because they knew Papa John's was under construction.

Representative Damron said they have already spent \$1 million to replace the turf at the Fairgrounds, and now U of L is putting turf at the Papa John's Stadium. Also, the university plans to return to the committee and ask for more money to put more turf down next session. He said he had some concerns about voting for this project.

Representative Wayne said there may have been some shortsightedness on the resurfacing of the Fairgrounds stadium, but if Mr. Workman used his best judgment at the time, the committee should respect that.

Representative Wayne made a motion that the U of L project be approved. The motion was seconded and passed by voice vote (7 yes and 1 no).

Mr. Ben Carr, Vice President for Auxiliary and Campus Services, University of Kentucky, reported that the university plans to purchase a Magnetom Trio 3.0T MRI System to be used for research and clinical procedures. The research equipment cost of \$3.35 million will be paid with Research Foundation funds. Senator Leeper said no action was required for this agenda item.

Senator Leeper asked Mr. Workman to return to the table to discuss an existing lease the Kentucky State Fair Board has with Central Avenue Hotel Associates, Inc. Mr. Workman said a portion of the ground lease with Central Avenue Hotel Associates has been amended to include a stand-alone restaurant. He said since the lease was completed, they have entered into an agreement with the Hall of Fame chain restaurant. The restaurant will be called the Cardinal Hall of Fame Café.

Representative Damron asked what the income to the Commonwealth will be from this lease. Mr. Workman said the state has a 40-year lease, and for the first 10 years, the minimum rent is \$160,000 annually for the hotel plus 4% of any overage on the rooms and 2.5% of additional revenues. For the restaurant, the state will receive 2.5% of its gross revenues. Mr. Workman said the hotel will open by August, and will be heavily populated because of its location.

Representative Damron asked if the agency receipts generated from the hotel and restaurant will be used to help finance the Fairgrounds expansion. Mr. Workman said these revenues would be a small part of the funding. The debt service on the \$52 million

expansion will be between \$3.8 and \$4.8 million annually. The Fair Board runs a net positive cash flow each year of approximately \$3.2 million. Senator Leeper said no action was required for this project.

Mr. Jack Morris, Director, Division of Real Properties, then reported a temporary emergency lease for the Unified Prosecutorial System (PR-4652) at 202 Seventh Street in Laurel County. The annual cost of the lease is \$21,645. Mr. Morris said that due to a fire at the agency's leased space in January 2003, the agency was temporarily relocated to the courthouse. The owner of the leased space has decided not to restore the area back for office space, so temporary emergency space was found. Senator Leeper indicated that because the lease is an emergency, no additional action is required.

Mr. Morris reported another emergency lease for the Cabinet for Families and Children, Division of Community Based Services, in the Johnson Building, located on Route 8 in Vanceburg. The annual cost of the lease, PR-4676, is \$12,000. Mr. Morris said due to unacceptable environmental conditions (mold, asbestos, lead paint, raw sewage, and electrical hazards), a temporary lease was initiated for the agency until permanent space could be found.

Senator Leeper said this lease was entered into on February 20. He asked why it was not reported to the Committee earlier. (KRS 56.823 requires emergency leases to be reported 30 days after execution.) Mr. Morris said he did not know the answer to that question, but would find out and let the committee know.

Senator Leeper said the unhealthy conditions reported in this lease appear to have been present for some time. He asked how the Cabinet for Families and Children became aware of these unsafe conditions. Mr. Morris said they had received complaints about the building, and asked the landlord to improve the building. The Cabinet's Secretary Viola Miller decided to move the tenants out of the building immediately after raw sewage was discovered leaking into the building.

Mr. Morris next presented a lease modification report for the Cabinet for Families and Children, Department for Disability Determinations, in Franklin County (PR-3590). He said two accordion doors have been installed in the Cabinet's conference room to alleviate noise and maintain professional confidentiality. Mr. Morris said due to the current budget situation, the cost of this improvement, \$19,609, will be paid with federal funds. This improvement was in progress prior to the Governor's recent executive order prohibiting lease improvements.

Mr. Morris presented another lease modification in the amount of \$1,757 for the Commission for Children with Special Health Care Needs' facility (PR-4355) in Knox County. The Commission plans to build a wall in the reception area of this facility.

Last, Mr. Morris presented a report of state lease square foot modifications for January through March 2003. These modifications are under \$50,000; no further committee action was required.

Senator Leeper said the next agenda item was the bond activity report from the Office of Financial Management. He asked Ms. Sandy Williams, Kentucky Infrastructure Authority (KIA), to report new items proposed for KIA assistance. Ms. Williams presented one Fund A loan request in the amount of \$708,060 for the Boyd and Greenup Counties Sanitation District No. 1. The proceeds will be used to correct inflow and infiltration problems in its system.

Representative Wayne asked why the engineering fees for this project are excessive (the ratio of engineering costs to construction costs is 19.9%). Ms. Williams agreed that the fees seems excessive. She said since no state funds were used to pay the engineering fees, KIA does not have any recourse regarding how those fees are set. She said she was not able to get in contact with the project engineer to discuss the fees prior to the meeting. Representative Wayne said it would be helpful to the committee to know why the engineering fees are high. He said unless the committee monitors fees, some unscrupulous engineering firm may take advantage of certain situations. He asked Ms. Williams to report back to the committee as to why the engineering fees are so high.

Senator Buford, noting the narrow projected cash flow, asked if the Sanitation District will be able to service the debt on this loan. Ms. Williams said KIA has as a stipulation in its loan agreement that if the Sanitation District does not have sufficient revenues to service the debt, they must increase their fees if asked by KIA.

In response to another question from Senator Buford, Ms. Williams said she did not know if the Sanitation District has any reserve funds, but she said she would get that information for the committee. She noted the Sanitation District, at its current operating levels, has sufficient revenue to repay the debt, but it is right on the line. She said should anything happen, there would be cause for concern. However, she reiterated that there is language in the assistance agreement that would allow KIA to require rates to be raised.

Representative Wayne made a motion to pass over this project until the committee's June meeting. He said the committee needs to know how fiscally sound this project is and to why the engineering fees are so high.

Representative Damron said KIA has the ability to ask the Sanitation District to raise its rates for this project if they are not generating sufficient money to pay the loan. He suggested moving forward with the project.

Senator Rhodes asked if KIA has ever disapproved a project it deemed not feasible or financially unsound. Ms. Williams said they have. Typically, the board does not

consider projects not recommended by staff. She said this project did go through the regular review and evaluation process.

Senator Leeper restated Representative Wayne's motion to pass over this project until the committee's June meeting, and it was seconded by Representative Marcotte. The motion failed.

Representative Damron made a motion to approve the KIA Fund A loan for Boyd and Greenup Counties. The motion was seconded and passed by roll call vote. (5 yes, 3 no).

Ms. Williams presented seven new 2020 Account/Fund B Grants: Adair County Water District – Waterline extension; Caldwell County Water District – Waterline extension; City of Eddyville – Raw water intake and storage tank; Meade County Water District – Water system improvements and elimination of a water system; Morgan County Water District – Waterline extension; and Tri-Village Water District (2 projects) – Waterline extension, tank and pump station in Owen County. Since the committee conditionally approved these project allocations in January 2002, no further action was required.

Senator Leeper asked Mr. George Burgess, Executive Director, and Mr. Tom Howard, Deputy Executive Director, Office of Financial Management (OFM), to discuss the OFM report. They first presented a new bond issue: Kentucky Economic Development Finance Authority (KEDFA) Variable Fixed Rate Demand Industrial Building Revenue Bonds (Republic Services, Inc. project), Series 2003.

Mr. Howard said the proceeds from this bond issue will be used by Republic Services, Inc. to finance the acquisition, construction, and equipping of existing landfills and transfer stations in a number of counties. The gross proceeds are not to exceed \$12,275,000.

Representative Wayne asked how many new jobs will be created by Republic Services. Mr. Howard said six new jobs will be created.

Mr. Howard said the federal government provides each state a set amount of private activity bond allocation that can be used by companies like Republic Services as tax-exempt bonds. OFM allocates this federal resource and follows statutory and regulatory guidelines. There was more cap authorization available than requested, leaving \$60 billion unallocated. Mr. Howard said even though Republic Services was the lowest-scoring project, it received an allocation according to the statutes and regulations.

Representative Wayne asked how many buildings are going to be built for this project. Mr. Warren Nash, Deputy Commissioner of the Department for Financial

Incentives, Cabinet for Economic Development, said there will not be any expansion of these facilities that are located in seven different counties. He said the proceeds of the bond issue will allow the company to purchase equipment for work on their transfer stations in Louisville and Covington, Kentucky, and for the building and capping of cells within the other facilities, all within permitted areas.

Mr. Nash said the six new jobs would pay between \$28,000 to \$62,000 per job. Each county where these businesses are located have adopted resolutions endorsing the KEDFA issue. Mr. Nash emphasized KEDFA is not allocating cash, or making a grant or a loan. He said it is only serving as a conduit to allow income earned by bondholders to be tax-exempt.

In response to questions from Representative Wayne, Mr. Nash said under Kentucky Revised Statutes (KRS) Chapter 103, there are certain projects allowed to be financed by the issuance of industrial revenue bonds, and pollution control facilities are clearly authorized by the statute. He said in 1984, KRS Chapter 103 was amended to allow for pollution control facilities since one of the ways to retain industry in this state is to help with their pollution control.

Representative Marcotte asked what the interest savings would be to Republic Services if this bond issue is approved. Mr. Howard said as a general rule, tax-exempt financing would represent 67% of taxable rates. Representative Marcotte said he understood there is some opposition concerning this issue from the people in Trimble County, and they have hired counsel to oppose this.

Representative Damron said it is important that the members be clear in understanding that this bond issue does not utilize state dollars, the state is not responsible for it, and it is not considered part of the state's bonded indebtedness. He said this is a provision by the federal government that grants each state the ability to issue a set amount of private activity bonds each year. He said when the committee looked at a similar proposal last year, there was a lot of confusion about whether it affected the state's bonded indebtedness, and concerns that there was not sufficient private activity bond authority. However, he said that is not the case. If other firms want to apply, there is additional available authority that can be allocated. Republic Services happens to be the last in line, and there is nobody else seeking the authority.

Representative Damron said the real concern he has is why KEDFA did not have more applications for the private activity bond cap. Mr. Howard said any unallocated authorization will be made available on a first come, first served basis. After that point, any unused amounts would be used by state issuers such as the Kentucky Housing Corporation and the Student Loan Corporation rather than revert back to the federal government.

In response to a question from Representative Wayne, Mr. Nash said Republic Services is incorporated in Fort Lauderdale, Florida. He added it has facilities in Kentucky that employs over 600 people.

Senator Leeper invited Mr. Jack Baker, representing Republic Services, to testify. Mr. Baker said this bond issue has been approved, and these same kind of bonds were approved in 2000 and 2001 by this committee and KEDFA. He said he was prepared to answer questions and to respond to the comments that will be made by Mr. Shepherd who represents two citizens who live very close to the Trimble County landfill. He said litigation has been filed against that landfill, and he thinks this issue today is about landfill opposition, not tax-exempt financing.

In response to an earlier question from Senator Leeper, Mr. Baker said Republic Services would not be able to apply for bond proceeds in the state of Florida and use them for facilities in Kentucky. Mr. Baker said Republic Services has 600 employees in the state of Kentucky in 70 different counties, and has invested over \$200,000,000 in the state. He said they have more landfills than any other company in Kentucky.

Senator Rhoads asked what the proceeds from this bond issue will be used for. Mr. Baker said the funds will be used to upgrade five landfills in Ohio, Union, Trimble, Grant and Lincoln Counties, and to construct new areas within the landfills. In Ohio County, the landfill is owned by the county; the other facilities are owned by Republic Services. Mr. Baker said Republic Services pays several of the counties a host community fee for each ton of waste that comes into the landfills. He said in 2001, Republic paid Ohio County \$450,000 and paid Grant County \$950,000.

In response to another question by Senator Rhoads, Mr. Baker said these landfills are authorized to take both residential and industrial waste.

Representative Wayne asked what is the percentage of out-of-state waste disposed in each of these five landfills. Mr. Baker said the Grant County landfill is the only landfill that accepts out-of-state waste, but he did not know the percentage.

Representative Wayne asked how much in host fees Republic Services pays to Trimble and Henry Counties. Mr. Baker said they do not pay host fees to these two counties.

Representative Wayne asked who pays for the road repairs on the border between Trimble and Henry Counties. Mr. Baker said Sulfur Road is a state road.

Representative Wayne said he was concerned that there could be an environmental impact and asked what Republic Services does to repair state roads it uses. Mr. Baker said they do not have any separate arrangements to pay the state any extra fees for the

traveling on the roads. Senator Buford said there is a weight distance tax, and every truck that uses the road to the landfill, depending on the weight, is paying a share of that tax.

Senator Leeper introduced Mr. Rick Brueggemann from Bavarian Waste. Mr. Brueggemann said even if these bonds are not allocated to Republic Services, the projects will still be implemented. Mr. Brueggemann said he was curious as to what six jobs this bond issue will create that would not otherwise be created since the work is already obligated contractually. He said it would be fairer for his competitor to obtain financing through a bank like his company does.

Mr. Brueggemann said he thought the legislative intent of the bonds was for a public benefit, which would be more likely if used by hospitals or universities or to curb unemployment.

Senator Leeper asked why Mr. Brueggemann thought hospitals should be allowed to utilize tax-free bonds and not landfill companies. Mr. Brueggemann said he viewed a hospital as an entity that provides much more of a public benefit such as health care services, than for-profit corporations. Senator Leeper said hospitals are often for-profit entities, and controlling waste is also a public purpose.

In response to another question from Senator Moore, Mr. Brueggemann said using the tax-free discount available through the state gives Republic Services an unfair advantage. He said it is his understanding that tax-free revenue bonds are to support either new industry or to provide a public benefit. He said this project does neither.

Senator Leeper invited Mr. Phillip Shepherd to testify. Mr. Shepherd said he represented a number of citizens who live in Trimble and nearby Henry Counties who are opposed to the landfill. He said his purpose was not to air their differences and disagreements with the landfill over the matters related to their environmental performances, which are a subject of lawsuits, but to address the issue before the committee which is whether it is appropriate for Republic Services to be the beneficiary of tax-exempt financing.

Mr. Shepherd said KRS Chapter 103, which provides for tax-exempt industrial revenue bond financing, was passed initially after World War II in 1946 to attract industry to Kentucky. The statute initially said this kind of financing was available for industrial buildings and factories, but over the years, the legislature expanded the definition of industrial buildings to include a number of very specific projects, including hospital projects, and many other kinds of economic development projects.

Mr. Shepherd said that because a landfill is not an industrial building and is not associated with an industrial operation, it does not qualify for tax-exempt financing under KRS Chapter 103. He said those provisions do not include a private for-profit landfill that

is licensed and operates for general waste disposal purposes for the public at large. He said everything that Republic Services plans to do with the funding (capping the landfills, buying new equipment, and refurbishing their transfer stations), they are obligated to do by contract or by law. Mr. Shepherd said the court decisions construing KRS Chapter 103 have been very specific that in order for the legislature to confer the benefit of tax-exempt status for these financing mechanisms, there has to be a public benefit.

Mr. Shepherd said since the Ohio County facility is owned by the county, the county could on its own issue tax-exempt financing for its portion of the project. However, he said this project attempts to fold into that project a number of other projects that are strictly private for-profit entities that are not qualified for tax-exempt status under KRS Chapter 103. He said for that reason, the committee should not give its approval to this particular project.

Senator Leeper asked Mr. Shepherd if he thought there was any difference between bond issues for industrial waste the committee approved previously and this particular issue. Mr. Shepherd said this very same project was brought before this committee one year ago and it was denied, so if there was a precedent set, the most recent precedent is that this project does not qualify. That is what this committee voted a year ago when this identical project was brought before it.

Senator Moore said he thought the tax-exempt financing should be preserved for new industry and new jobs to come to Kentucky.

Senator Rhoads said he had a serious concern about the committee's role in this kind of situation; the committee is not a judicial body, and there are some very difficult technical questions here. He said court decisions have been cited and this decision sets a perilous precedent. He said there is plenty of language in these statutes, especially under the pollution control facilities section, that clearly contemplates a project such as this that does not involve a building. No case has been cited directly on point dealing with landfill equipment, but it seems like this would be one of the highest priorities that counties and cities have. Ohio County has a dire need for this since the county is hauling waste to the Dozit landfill in Union County at considerable expense in excess of \$1,000,000. He said the committee should be encouraging the development, the integrity, and the planning of such facilities so that cities and counties have a proper place to dispose of waste. Senator Rhoads said he thought this project is a legitimate public purpose, and he was in favor of it.

Senator Moore asked Senator Rhoads if Ohio County could get this loan on its own. Senator Rhoads said it could, but it would be a different procedure, a lot of red tape and a lot of steps. He said they would have to go back to the county and pass another resolution.

Senator Leeper introduced Mr. Jeff Hillebrandt from Take Back Kentucky. Mr. Hillebrandt thanked the committee for allowing him to speak. Mr. Hillebrandt said Take Back Kentucky is a group of volunteers all over the state who monitor legislation. Mr. Hillebrandt said as far as precedence being set for this kind of project, he said if the state made a mistake before, that is not sufficient reason to do it again. He said the committee needs to think about what is right for the people of Kentucky, and it is not right to loan taxpayer money to a private business on a tax-free, low interest loan.

Senator Leeper invited Mr. Baker back to the table for closing comments. Mr. Baker said these bonds have been approved by the IRS and KEDFA, and bond council has written an opinion. He said the bonds have been recommended by the counties, and he agreed with Senator Rhoads that it might be better to leave the issue of statutory interpretation to the courts.

Mr. Brueggemann said if this is found to be proper and within the intent of the legislature, there may be many companies that seek this tax-exempt financing.

Senator Leeper said Mr. Hillebrandt made the most interesting comment about policy. He said there may be some question about whether this is good policy or not, but the policy has already been set and there is some precedent.

Representative Marcotte said he has supported all of the industrial revenue bond applications since he has been on this committee and has never had a problem. He said he did have a problem with this one, however, for many of the reasons that were discussed here.

Representative Marcotte made a motion that KEDFA variable fixed rate demand industrial building revenue bonds not be approved, and the motion was seconded. The motion failed.

Representative Damron then made a motion for the approval of KEDFA variable fixed rate demand industrial building revenue bonds. The motion was seconded by Senator Rhoads and passed by roll call vote (5 yes, 3 no).

Representative Wayne explained his no vote. He said he was concerned about the small number of jobs being created. He said the state is giving a tax break to a corporation, and in this state, corporations are undertaxed. He said this was not good public policy, and if the state is going to subsidize corporations, it should be done for the public interest with well-paying jobs and benefits.

Senator Leeper explained his yes vote. He said he was not sure if this is the best public policy but he believed this project meets what he understands to be the regulatory and statutory requirements.

Mr. Howard reported a new bond issue for KEDFA Hospital Facilities Revenue Refunding and Improvement Bonds, Series 2003 for St. Elizabeth Medical Center (Edgewood) in an amount not to exceed \$140,000,000. The purpose of the bonds is to finance the acquisition, construction, installation and equipping of health care facilities, and also to refinance outstanding bonds. Mr. Howard reported three additional bond issues: Kentucky Asset Liability Commission Project Notes, 2003 General Fund Series, \$181,498,055; Western Kentucky University Consolidated Educational Building Refunding Revenue Bond, Series O, \$9,850,000; and University Kentucky Hospital Refunding Revenue Bonds, Series A, Third Series, \$3,910,000. The proceeds from these bond issues will be used to refund outstanding bonds.

Representative Damron made a motion to approve the four new bond issues listed under New Business (3) (a)(c)(d) and (e) on the agenda. The motion was seconded by Senator Buford and passed unanimously by roll call vote.

Senator Leeper said also included in members folders were follow-up reports for previously-approved bond issues: Morehead State University Housing and Dining System Refunding Revenue Bonds, Series Q, dated April 1, 2003; Kentucky State University Consolidated Educational Buildings Refunding Revenue Bonds, Series I, dated April 1, 2003; University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series K, dated March 1, 2003; and Kentucky Housing Corporation Revenue Bonds, 2002 Series F (AMT) Fixed Rate Bonds and Series G (AMT) Variable Rate Bonds.

Mr. Howard reported 10 new bond issues with School Facilities Construction Commission (SFCC) debt service participation: Casey County; Floyd County; Franklin County; Garrard County; Harrison County; Lewis County; Mercer County; Rowan County; Somerset Independent (Pulaski County); and Washington County.

Senator Buford made a motion to approve the school bond issues. The motion was seconded by Representative Marcotte and passed by roll call vote. Seven members voted affirmatively and Representative Damron abstained from the vote, citing a potential conflict of interest.

Senator Leeper said there were 12 locally-funded school bond issues submitted to the committee for review this month: Daviess County; Floyd County; Hickman County; Livingston County; Meade County; Menifee County; Owsley County; Russell Independent (Greenup Co.); Silver Grove Independent (Campbell Co.); Warren County; Whitley County; and Wolfe County. He said all disclosure information has been filed, and no further action on the bond issues is required.

Senator Leeper said the committee will hold its next meeting on June 17.

With there being no further business, Representative Damron made a motion to adjourn the meeting. The motion was seconded by Representative Marcotte. The meeting adjourned at 3:15 p.m.